Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class: \_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_

**Main Types of Credit Organizer**

Directions: Summarize the main types of credit**. Give examples when possible in the spaces provided.**

|  |
| --- |
| **Credit** |
| **What is credit?****What is trade credit?** |
| **Types** | **Details** | **Examples** |
| **Charge Account** |  |  |
| **Credit Cards** |  |  |
| **Installment Sales Credit** |  |  |
| **Consumer Loan** | Promissory noteWhy is collateral or a cosigner used? |  |

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**Credit: Primary or Promoter Product Activity**

Directions: Complete the chart using advertisements that include credit offers to businesses, the government, and individuals.

|  |  |  |
| --- | --- | --- |
| **Advertisement** | **Type of credit offered** | **Is credit the primary product or is it used to promote the sale of goods and services?** |
| Example:www.staples.com | Credit Cards:Business and personal | Used to promote the sale of goods or services |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |

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**Advantages and Disadvantages of Businesses Using Credit Organizer**

Directions: Summarize common advantages and disadvantage of businesses using credit.

|  |  |
| --- | --- |
| **Advantages** | **Disadvantages** |
|  |  |

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Class: \_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_

**Advantages and Disadvantages of Businesses Using Credit Activity**

Directions: Determine the advantage or disadvantage of using credit for each example in the spaces provided.

1. Randy, the owner of A-1 Auto Mechanic, paid his business bills on time during the three years of operation.

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1. Randy noticed seven purchases for products not used by the business possibly made by one of his employees on the business credit card.

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1. For filing taxes, Randy has been able to use only credit card statements from his Business American Express to track purchases.

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1. Randy charged about $6,000 worth of furniture and decorations for his waiting room over several shopping sprees. He can barely make the minimum payments of about $400 each month.

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1. Randy submitted a year-end summary for his business credit card without having to go through three years of receipts.

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1. Randy issued a credit card to an employee to purchase supplies.

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1. Randy received free software by frequently using his business credit card.

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1. Randy suspects a customer stole several customer files from his desk.

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